

1 ] \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE USE OF BIODIESEL IN ALL DIESEL FUEL  
5 SOLD IN MONTANA; PROVIDING FOR MINIMUM AND MAXIMUM BIODIESEL CONTENT REQUIREMENTS;  
6 PROVIDING FOR REPORTS ON AND REVISIONS TO THE MINIMUM BIODIESEL CONTENT  
7 REQUIREMENTS; PROVIDING PENALTIES; AND PROVIDING AN EFFECTIVE DATE."

8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10

11 NEW SECTION. **Section 1. Short title.** [Sections 1 through 7] may be known and cited as the  
12 "Renewable Fuel, Energy Independence, and Rural Economic Development Act".

13

14 NEW SECTION. **Section 2. Definitions.** As used in [sections 1 through 7], the following definitions  
15 apply:

16 (1) "Biodiesel" has the meaning provided in 15-70-301.

17 (2) "Department" means the department of labor and industry provided for in 2-15-1701.

18

19 NEW SECTION. **Section 3. Minimum biodiesel content requirements for diesel fuel -- penalties.**

20 (1) Subject to [sections 4 and 6], beginning on [the effective date of this act], all diesel fuel sold or offered for sale  
21 in Montana for use in internal combustion engines must contain at least 2% biodiesel by volume.

22 (2) Beginning on [the effective date of this act], any person who knowingly sells or offers for sale in  
23 Montana diesel fuel for use in internal combustion engines that does not contain at least 2% biodiesel by volume  
24 is guilty of a misdemeanor.

25

26 NEW SECTION. **Section 4. Annual report -- revision of standards -- penalties.** (1) Ninety days after  
27 the end of each fiscal year, the department shall publish and make available to the public an annual report on  
28 the implementation of [sections 1 through 7]. A copy of the report must be filed with the economic affairs interim  
29 committee provided for in 5-5-223. The report must include at least the following:

30 (a) the production capacity for crops used for making biodiesel in the state;

1 (b) the refining capacity for biodiesel in the state;

2 (c) the total annual consumption of diesel fuel in the state; and

3 (d) a determination made by the department as to the maximum biodiesel content requirement that is  
4 economically and technically feasible and that is at or above the minimum biodiesel requirement in effect for the  
5 previous fiscal year and below 21% biodiesel by volume.

6 (2) Ninety days after the publication of each annual report required in subsection (1):

7 (a) all diesel fuel sold or offered for sale in Montana for use in internal combustion engines must contain  
8 the minimum biodiesel content requirement determined by the department to be economically and technically  
9 feasible in its annual report; and

10 (b) any person who knowingly sells or offers for sale in Montana diesel fuel for use in internal combustion  
11 engines that does not contain at least the minimum biodiesel content requirement determined by the department  
12 to be economically and technically feasible in its annual report is guilty of a misdemeanor.

13 (3) If the department publishes an annual report making a determination that the maximum biodiesel  
14 content requirement that is economically and technically feasible is less than the minimum biodiesel content  
15 required in the previous fiscal year, the previous fiscal year's minimum biodiesel content requirement must remain  
16 in effect, except as provided for in [section 6].

17  
18 **NEW SECTION. Section 5. Minimum biodiesel content for state fleet.** (1) On [the effective date of  
19 this act], at least 20% of all diesel fuel purchased by a state agency for the operation of the agency's  
20 diesel-powered vehicles and equipment must be fuel containing the minimum biodiesel content.

21 (2) All state agencies using fuel containing biodiesel shall file quarterly reports with the department  
22 documenting the use of fuel containing biodiesel, including a description of any problems encountered and how  
23 those problems were resolved.

24 (3) The provisions of this section may be waived only as provided in [section 6].  
25

26 **NEW SECTION. Section 6. Temporary suspension of requirements.** (1) The director of the  
27 department may temporarily suspend the minimum biodiesel content requirements of [sections 1 through 7],  
28 statewide, within a designated geographic area, or for a particular type of vehicle or internal combustion engine  
29 after making a written finding that any of the following conditions have occurred:

30 (a) the wholesale, pretax price of fuel containing biodiesel exceeds the price of 100% petroleum-based

1 diesel fuel by more than 15%;

2 (b) engine performance problems in Montana related to the use of a fuel containing biodiesel have been  
3 independently verified by the department; or

4 (c) supplies of biodiesel sufficient for blending with diesel fuel stocks in Montana to meet the minimum  
5 biodiesel content requirement are not generally available.

6 (2) Any suspension created pursuant to subsection (1) expires on the first day of the next fiscal quarter  
7 after it is issued. This section does not preclude the director from suspending the minimum biodiesel content  
8 requirements of [sections 1 through 7] for the following fiscal quarter in which a suspension is already in effect  
9 if the director has made another written finding that the conditions described in subsection (1) still exist.

10  
11 **NEW SECTION. Section 7. Labeling of pumps with fuel containing biodiesel.** The department shall  
12 by rule require that any fueling facility that sells or offers for sale fuel containing biodiesel to conspicuously label  
13 the pump that dispenses the fuel as to its biodiesel content.

14  
15 **NEW SECTION. Section 8. Codification instruction.** [Sections 1 through 7] are intended to be codified  
16 as an integral part of Title 82, chapter 15, and the provisions of Title 82, chapter 15, apply to [sections 1 through  
17 7].

18  
19 **NEW SECTION. Section 9. Effective date.** [This act] is effective July 1, 2007.

20 - END -